

...s All the Rage

The Global Newspaper Edited and Published in Paris

Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post PARIS, TUESDAY, MAY 12, 1992

...a synonym of the forehead, anger, rage... "Nose for grief" is the general term...

...manager Jerry Brown was corrected... his definition of a sphinx, which made...

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EC Members Will Recall Ambassadors To Belgrade

The Community Presses Its Demands for Troops To Pull Out of Bosnia

By Alan Riding... Struggling to force Serbia to end its military intervention in the newly-independent republic of Bosnia-Herzegovina, European Community...

By Thomas W. Lippman... WASHINGTON — After a year of banalizing developments that completely altered the U.S. strategic situation, the unthinkable has become commonplace.

By David R. Sanger... In North Korea, Homage to the Old



From his own apartment, shelled by the Yugoslav Army, a Bosnian defender in firing position Monday as fighting continued in Sarajevo.

Serbs Rain Artillery Shells on Sarajevo

By Blaine Harden... BELGRADE — Serbian forces continued to shell Sarajevo on Monday, and fighting raged in several other cities in Bosnia-Herzegovina.

By Thomas W. Lippman... WASHINGTON — After a year of banalizing developments that completely altered the U.S. strategic situation, the unthinkable has become commonplace.

U.S. Nuclear Arsenal: No Secret, It's Shrinking

By Thomas W. Lippman... WASHINGTON — After a year of banalizing developments that completely altered the U.S. strategic situation, the unthinkable has become commonplace.

Jet Fighters Go on Hold Bonn May Leave Europe Project

By Stephen Kinzer... BONN — The German government, increasingly pressed for cash, is reportedly planning to withdraw from a European project to design and build a new jet fighter.

By Thomas W. Lippman... WASHINGTON — After a year of banalizing developments that completely altered the U.S. strategic situation, the unthinkable has become commonplace.

U.K. Defies Community On Control At Borders

By Charles Goldsmith... BRUSSELS — Britain defiantly insisted on Monday that it would resist the European Community's plan to abolish passport checks on EC nationals within the Community at the end of the year.

PASSAGES

In China, the Creation of a New Order

In North Korea, Homage to the Old

Kiosk

Ex-Chief of CIA To Head Probe Of Police in Riot

PESO POWER

A Philippine woman waving a sample ballot and money she said a local candidate gave to her Monday.

ESTABLISHED 1887

...We are obliged by our own self-protection to maintain the kind of controls which we have, which are particular for us because of our geography...

...The Commission could take Britain to the European Court of Justice next year if it refuses to abolish the passport checks...

...Unstated publicly, but clearly a vital part of British opposition to an abolition of passport checks is a distrust of border-control procedures in some of the EC's southern countries...

...As an island, Britain has certain advantages over the Community's Continental members in keeping out what it sees as undesirable...



PESO POWER — A Philippine woman waving a sample ballot and money she said a local candidate gave to her Monday.

...The police chief, Daryl F. Gates, promised to cooperate with the probe, to be conducted by an independent commission...

...Dow Jones... The Dollar... Crossword... Weather... Page 17... Page 2

LD BRIEFS

Priority on Support Over Settlements
Yitzhak Rabin of the opposition Labor Party...

ast Open in Brussels
Talks on regional issues continued in Brussels on Monday...

India and Russia Set
The United States has imposed a ban on going ahead with a \$250 million...

VEL UPDATE
Environmentalists on Monday opposed a proposed railroad through Venice...

a Service for Tourist
American Telephone and Telegraph is offering visitors to the United States...

Riot Toll in Los Angeles: Coroner Can Only Guess

LOS ANGELES — America's deadliest riot of the century was a hellish storm of fire and bullets, rage and fear...

Rodney G. King by Los Angeles police officers, the police killed nine rioters, but rioters killed no policemen...

The 58 dead on the coroner's list include many people killed by persons unknown, in situations no one has come forward to describe...



Reina Mendez, a Guatemalan immigrant, preparing floral arrangements for sale in Los Angeles's Koreatown. Behind her are buildings burned in the rioting.

Families of Gulf War Dead Ask Why U.S. Pilots Killed Britons

By William E. Schmidt
LONDON — They were casualties of what is called friendly fire, nine British infantrymen killed during the closing days of the Gulf War...

The families' plight was dramatized in photographs and news film last week that showed Mr. Atkinson pursuing a U.S. military observer outside the hearing room...

For Americans, a 'Warning' on Race Relations

By Robin Toner
NEW YORK — Most Americans view the riots in Los Angeles as "a warning" about the state of race relations...

adults, reflected a nation still struggling with the causes of urban turmoil and the most effective response to it...

blacks agreed with the statement that "the recent rioting is a warning to the United States that race relations must improve to prevent more trouble and violence..."

Perot's U.S. Saving Tip: Bad and Still a Mystery

By Steven Mufson and Howard Kurtz
WASHINGTON — When Ross Perot said last month that the U.S. government could easily save \$100 billion by eliminating Social Security and Medicare benefits...

Advertisement for Michel Swiss perfumes and cosmetics, featuring 'FASHION GIFTS' and 'Top export discounts!'

Advertisement for Baccarat jewelry, featuring 'ALL-CRYSTAL EARRINGS IN TEN TRANSLUCENT COLORS' and images of various earring designs.

"Tactical talks in Tokyo?"

WASHINGTON — Japanese and U.S. officials are expected to hold tactical talks in Tokyo on Monday...

Advertisement for KLM Royal Dutch Airlines, featuring flight schedules to Amsterdam and Tokyo, and the slogan 'The Reliable Airline'.

Fewer and Fewer Jobs For College Graduates

By Brooke A. Masters
WASHINGTON — Michael Smart has just been graduated from Georgetown University with a resume many students would die for...

"Big business in Bangkok"

Advertisement for KLM non-stop flights to Bangkok, featuring flight schedules and the slogan 'The Reliable Airline'.

A detailed flight schedule table listing destinations (Europe, Asia, Africa, Latin America, North America) and flight times for various airlines.

Style

Rerun for the Print Scarf Film-Star Glamour of the '50s Is Back

PARIS — When the Cannes film festival had its international heyday, there was a Riviera style: a square of silken scarf and a pair of skinny pants. This summer that basic instinct to dress like a film star is back in fashion. For the first time since the Croisette was hot and Capri a hot back in the 1950s, the scarf print is the look of the season. It comes as a silk head-square to tie shirt outside over the pants," says Gioia Marconi Braga; while Consuelo Crespi claims, "He solved all our dressing problems with his solid shirts and pants."

After slipping out of style for a quarter of a century, prints burst back into fashion with Christian Lacroix's designs at the end of the 1980s. His wild mixes of pattern and print, clashing colors and cultures, mixing bullfighting motifs with tocooco ribbons, started a new spurt of interest in the possibilities of print. Pucci itself — now directed by Emilio's children — has had a mild revival. But another Italian designer, Gianni Versace, has relaunched the scarf-print fashion for the 1990s. Using his flamboyant talent for the theater and the resources of Italy's Como silk industry, Versace has made the scarf shirt red hot. His \$2,500 shirts are seen on Hollywood stars (not least Liz Taylor) and the same prints are splashed over swimsuits, bra tops, stretch bodysuits and leggings, and even a jazzy new version of the palazzo pajamas with which Pucci rose to fame. Taking themes theatrical or historical, Versace has produced prints of masks, jewels, religious icons and neoclassicism — and sometimes all that on one silk shirt. For this spring season he launched a range of his own classic prints called Signatures, producing his greatest hits as shirts and jackets. Fellow Italians Gucci and Ferragamo have also created their own scarf prints in lustrous silk, while myriad makers are turning out cheap-and-cheerful versions. In the high-fashion world, designer Angelo Tiarazzi has made the fluttering scarf his signature and has developed witty and elegant ways to make the scarf into clothing. But the scarf is at its most seductive as a simple shirt. The focus is on the quality of the double-creased silk and the depth and richness of color. Stretch leggings add a body-conscious 1990s look to the sporty style, but the shirts continue to radiate the film-star glamour associated with Cannes starlets and the Riviera's grand hotels.

Hermès silk twill shirt with a Texas nature motif (above); tied and draped Ferragamo scarves (far left), and Versace print shirt and pants (right).

STYLE MAKERS



Fragrant Ads

Other magazines that send scent-free copies on request include Harper's Bazaar, House Beautiful, Town & Country and Victoria, all published by Hearst Magazines. Conde Nast, on the other hand, does not offer scent-free versions of its magazines. Indeed, Kathy Leventhal, publisher of Allure, said a survey of her subscribers showed that 60 percent had bought a fragrance as a result of a perfumed strip in a magazine. Camille McDonald, vice president of marketing for Ralph Lauren fragrances at Coty Inc., said her company's research indicated that 76 percent of women buying a fragrance said they had been introduced to it by a magazine. "It is the overwhelmingly most efficient method of getting the product to the broadest possible audience," she said. "There is no equally efficient way of reaching an audience of, say, 2 million like Glamour's."

Order, Pragmatism

agreement practices and market. He said that while most countries have done well, reducing gaps between the rich and poor they generally have poor price and low efficiency. Like many moderate officials, he favors slow political liberalization to avoid instability and to threaten economic growth. "Reform has focused a lot of energy, and political liberalization lagged a bit," he said. "Over the years, there have been recurring problems with the pre-release of the small capsules in the strips, causing strong odors to emanate from the inserts even before readers pulled them apart. As perfumers became increasingly enamored of the strips, magazines began running more of them. Even unopened magazines began to smell like perfume counters. Things grew so bad that a few years ago magazine publishers and the perfume industry drew up guidelines. Postal regulations reflecting the industry guidelines were eventually adopted. "In the last couple of years, all the people involved have been sensitive to the issue and real efforts have been made to minimize the pre-release of fragrance until the strip is opened by the readers," said Michael Petina, vice president of the Cosmetic, Toiletry and Fragrance Association, an industry group. For the most part, the guidelines have been successful, although magazines with several perfumed strips do emit an odor. The record number of perfumed inserts may well go to the April Vogue, the magazine's 100th anniversary issue, which had five of them.



TV personality Betty Furness (right), in 1966, in a two-piece silk Pucci, and Hermès's 1958 silk "insect" shirt (above right).



Mayor of Milan Resigns Over Kickback Scandal

MILAN — Pietro Borghini, embattled mayor of Milan, has resigned his industrial and business empire, which has been at the center of a major corruption scandal, on Monday. Mr. Borghini, who had called for his resignation as a kickback scandal rocked Milan, forced the entire city council to quit. About 30 businessmen and politicians have been arrested in the scandal, including the city's biggest construction company, Cogefar-Imprest, a rival.

Single Government to Pursue Decisions

single government to pursue decisions. To break this deadlock, a draft resolution calls for a suspension from the Yugoslav debate until June 30, but the deal has so far been blocked by Serbia, which fears setting a precedent that could one day affect its interests. EC governments and the United States are now urging the President, Boris Yeltsin, to withdraw his opposition to the move, arguing that some support in the words of one diplomat in Helsinki, "to get the signal to the grade."

ighting Intensifies

Def food and blame all violence. Muslim and Croat provocation. Despite international signals, however, there is a sense of a regime that it is continuing to pursue a strategy of destroying the city. The new general named over the weekend to command army forces in Bosnia is Raško Ljubić, an officer in his early 50s who is described by military analysts as perhaps the best field commander in the army. Besides being an aggressive and resourceful tactician, he is also to be one of the most mercurial and unscrupulous of all the Serb. Serbian nationalist who runs the army. As a commander in a neighboring Croatia, he refused to enter Serb-occupied areas. During that time, according to the EC, army forces worked with Serb irregulars to shell, burn and loot many Croat towns.

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Advertisement for The Reliable Airline KLM. Text: "Wherever you are in Europe, KLM is now making it easier to take care of business in the Far East. With more flights from 67 European cities into Amsterdam Airport Schiphol. And with quicker, more convenient connections to more non-stop B 747-400 flights to 13 major Far East business centres. So you can reach your destination faster. Rested and ready for work." Includes KLM logo.

Advertisement for KLM flights to Singapore. Text: "Shareholders in Singapore? Try KLM, non-stop every day." Includes a flight schedule table.

Advertisement for Austria Center Vienna. Text: "Dam builders do it Plumbers do it Let's do it Let's fall in love - with Vienna. Did you know Vienna has one of Europe's most modern convention centers?"

Advertisement for The Reliable Airline KLM. Text: "TO OUR READERS IN HOLLAND The International Herald Tribune is now on newsstands throughout Holland every morning six days a week Monday-Saturday. If you have problems getting your copy, please contact: Edipress International BV, P.O. Box 554, NL 2130 AN Hoofddorp. Tel: 02503-24024/Tlx: 41833/Fax: 02503-23880"

Herald Tribune

The Army of Tomorrow

The army of tomorrow is either the Red Army or the U.S. Army. With the Cold War at an end, neither Moscow nor Washington wishes to patrol a turbulent globe. If there is to be peace, it will be secured by a multinational force that monitors cease-fires and elections and protects human rights. Blue-helmeted United Nations peacekeepers are doing just that in a dozen places, including Africa, Central America, Cambodia and what used to be Yugoslavia. Yet even as they depend on UN troops to contain regional conflicts, UN members begrudge the costs. And Washington, which should be leading the way, shuffles for funds and lamely insists that the check is in the mail.

Accidentally Nuclear

In the surge of self-determination that dissolved the Soviet Union, three new nuclear states were inadvertently created on top of already nuclear Russia, Ukraine, Kazakhstan and Belarus joined the world's most exclusive club simply by inheriting weapons that the old Kremlin had deployed on their soil. The phenomenon of accidental membership is new and a terrible blow to nonproliferation. It poses the delicate question of how to pry the accidental powers out of a status that the Original Five cling to and prize. Belarus appears to be getting out of the business without complication. But the two others, while they are not menacing proliferators, are at the least testing whether they can use their bombs for political bargaining as they seek a place in the new world.

A March for the Cities

It could easily have been just another march on Washington, important but unlikely to attract more than a day or two of publicity. Now, however, next Saturday's march to "Save Our Cities/Save Our Children" could well shake America's capital and move elected officials to address the sufferings of the cities.

Other Comment

A New Era in Central Asia
Mujahidin victory in Afghanistan has given a boost to the disparate factions eager to dislodge unreconstructed Communists from power in Soviet Central Asia. The president of Tajikistan has already been deposed and a coalition of Islamic and secular opposition groups is in power. If neither sweeps the region, old-line Communist leaderships in Turkmenistan and Uzbekistan also may experience a challenge by Islamic groups.

Time to Recall What European Union Is All About

By Max Kohnstamm

BRUSSELS — The Euro-debate that started in Britain is spreading across Europe. Questions are being raised not only in the European Community states that are debating ratification of the Maastricht treaty but also in the states of the European Free Trade Association that stand on the brink of entry.

relations, states have not yet departed from the state of nature, a condition in which the rules of the jungle hold sway and "everyone does what he wants, therefore everyone is afraid and alone, no one free."

Germany: Outsiders and Germans Themselves Ask Too Much

By Leslie H. Gelb

BONN — One can imagine Germany's future as a power of the first rank, but it is not now. Germany is trying to fill a huge power vacuum left by a collapsed Soviet Union and a declining America — and it does not have the means.

Germany, save Otto von Bismarck, the 19th century master diplomat whose portrait faces Mr. Genscher's desk. "Germany cannot solve its internal problems," he continued, "without solving its external problems."

Russia: Shock Therapy Isn't the Way to Promote Democracy

By Melvin Fagen

GENEVA — The International Monetary Fund and the U.S. government are undermining their own aims of promoting a market economy in Russia and in other republics by imposing as a condition for aid dogmatic directions for shock therapy — or what has been termed "shock without therapy" — requiring sharply increased prices as a first step, together with only a slow growth in income and a large reduction in budget deficits.

cause they mean that the government increases its borrowing from private sources. But in an economy in transition from a command to a market system, where there is not yet a private capital fund for investment, such a harmful effect will not take place.

A Neo-Bolshevik Brand of Capitalism

By Georgi A. Arbatov

MOSCOW — The West took a long time to make up its mind that it is in its best interest to help Russia and other members of the Commonwealth of Independent States get out of their post-Communist economic and political crisis.

IMF's orthodoxy not because of its demonstrated effectiveness; it has had as many failures as successes. But the fund consistently shifts responsibility for the results of unpopular policies from political leaders and countries to international bureaucracies.

in dispute, nor is the fact that this market needs a level playing field based on rules established, supervised and maintained by the Community's institutions. Differences certainly exist between the member states and will continue to exist — about how level the playing field should be, and about what matters need to be dealt with to achieve it. However long and arduous the debate, decisions are usually reached.

1892: Polynesian Revolt

SAN FRANCISCO — A telegram states news of a serious revolt among the natives of the Leeward Islands, or "Iles Sous le Vent" in the South Sea. The natives of this group, which is under French protection, have refused to obey French officials and declared war. One thousand fighting men assembled in the island of Raiatea, and three French warships had left Tahiti for the scene of the outbreak. Commanders were instructed to quell the revolt and to resort to extreme measures if necessary.

1917: Black Eagles Gone

PARIS — For the first time in centuries, says the "Figaro," the famous black eagles of the Swabian Alps, where the castle of the Hohenzollerns stands on a wild height, have abandoned their azar, the "Schwarzwalders Horst." According to legend, these eagles protected the destinies of the Hohenzollerns, and their depart-

1942: Secret Shipments

LONDON — [From our New York edition:] Specific reports that Germany was transporting poison gas to the Russian front and is building gas shelters throughout the Reich inspired Prime Minister Churchill's warning to the Nazis that its use would bring retaliation. Since February large German shipments of gas cylinders filled with mustard gas passed through a section of the Russian front. They were followed by rail-loads of mustard gas, crate after crate of gas ammunition, and large earthenware containers of gas mixed "not to be opened except by special order." A six-barreled gun called a "dozonne," which throws grenades and shells loaded with liquid gas of great corrosive effect, reportedly has been perfected. Several Londoners, as a result of Churchill's speech, were seen testing gas masks today.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Polynesian Revolt
1917: Black Eagles Gone
1942: Secret Shipments

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OPINION

Let Private Communicators Keep Up With the Tappers

By William Safire

WASHINGTON — The world's espionage agencies are busy retooling. Military intelligence is no longer the hot model; technological trade secrets are what the customer wants.

U.S. spies worry that they will no longer be able to listen to what Americans and their computers are saying to each other.

Does anyone seriously think that state terrorism cannot afford the best encryption and penetration software, or that drug cartels cannot buy the latest encryption devices for their money movements?

Truly Electrifying Entertainment

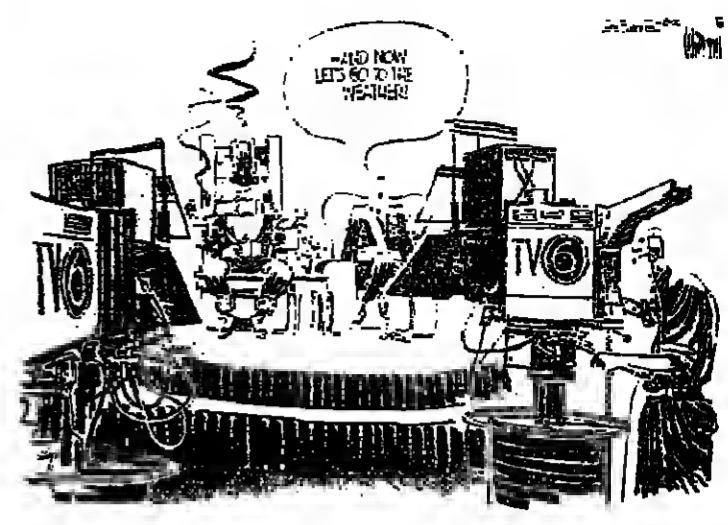
By Arthur Miller

Roxbury, Connecticut — The time has come to consider the privatization of executions. There can no longer be any doubt that government — society itself — is incapable of doing anything right.

MEANWHILE from the spectacle could be distributed to the prison that fed and housed him or to a trust fund for prisoner rehabilitation and his own family and/or girlfriend, as he himself chose.

Finally, the executioner, hooded to protect himself from retaliation, would proceed to the platform. He would walk to a console where, on a solemn signal from the governor, he would pull the switch. The condemned man would instantly surge upward against his bindings, with smoke emitting from his flesh.

witnessing a few dozen privatized executions, the public might grow tired of the spectacle — just as it seizes on all kinds of entertainment only to lose interest once their repetitiousness becomes too tiresomely apparent.



Mr. Miller, the playwright, contributed this essay to The New York Times.

All About

It is the fact that this market level playing field based on rules supervised and maintained by the community's institutions. Different points of view exist — about how best to deal with it, and about how long and arduous the debate, that is usually reached.

ask Too Much

Born will also have to pass laws to curb immigration. These laws would be based on a man's discretion and a man's wings. Yet those necessary laws are greeted by cries of protest.

Democracy

and supplies to the consumer. If they can just use now it is called assistance and equipment. This purpose is the IMF's role.

No. 75 AND 50 YEARS

is looked upon as an evil by folk throughout Germany. LONDON — From our New Edition: Specific reports are many have transported poison shells throughout the world.

LETTERS TO THE EDITOR

'The City of Joy': A Reply

Regarding "Calcutta Will Survive the Movie" (Meanwhile, April 23): As the author of "The City of Joy," the book on which the film of the same name was based, I feel obliged to offer a reply to some of the errors in the article by Shashi Tharoor.

Indian Nuclear Restraint

Regarding the editorial "For a Nuclear-Free India" (April 29): One may well object to what India has done in the nuclear field, but let us not forget what it has not done. Every nation that tested once went on to test dozens of times, or hundreds in the case of the superpowers — except India.

Yet More Discredit

Regarding Michael R. Beschloss's review of Kai Bird's "The Chairman: John J. McCloy: The Making of the American Establishment" (Books, April 24): To the items to Mr. McCloy's discredit, at least this one could have been added: As U.S. high commissioner for Germany in the early postwar years, he pardoned some of the most notorious Nazi mass murderers; several of the leaders of the Einsatzgruppen of the German security police that carried out massacres of Jews on Soviet territory —

Armenia Must Not Forget

Regarding the report "Common Sense Loses Again: At Last Minute, a Turk-Armenian Deal Fails" (March 31): If the guilty party asks for forgiveness, he or she stands a chance of being forgiven, but to ask Armenians to forget is out of the question. Otherwise they would trample the memories of at least 1 1/2 million dead.

On Mitterrand's 'Lesson'

In response to the report "Mitterrand Blames U.S. on Social Policies" (May 2): Let President François Mitterrand do something about the 15 percent of the French electorate that votes for a far-right party that opposes immigration, and let him do something about the serious racial crisis in France's own suburban slums, before he gets up on his high horse and delivers lessons to Americans about our serious racial problems.

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SAUDI ARABIAN NATIONAL GUARD PUBLIC TENDER ANNOUNCEMENT FOR THE MANAGEMENT AND OPERATION OF THE NATIONAL GUARD KING KHALID HOSPITAL, JEDDAH. The Saudi Arabian National Guard Western Region Headquarters announces the tender of a three (3) year project for the management, operation and maintenance of the National Guard King Khalid Hospital in Jeddah, Kingdom of Saudi Arabia effective from 24th June 1993 at a starting operational capacity of about 400 beds and up to 500 beds during the period of the management contract.

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May 11, 1992

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The Natural Choice

In less than seven years, for the first time in history, Europe will be demarcated not by static political frontiers but rather by a single currency, the mobile economy it will create, and the European Central Bank, which will reside over both. At the forefront of European centers working to help create a single European economy is Frankfurt. For 40 years Europe's international business specialist, the city is now applying its expertise to capitalizing on the capacities of the New Europe that up to now have been locked into national economies and individual sectors. A portrait of this forward-thinking, international city.



City Well Qualified To Be ECB Site

City fathers view them as promising sources of additional tax revenues and prestige. City residents generally see them as competitors for scarce parking spaces, apartments and airplane seats. All dub them the "Eurocracy" organizations created by the EC and set up in a European capital.

The location of the newest institution — the European Central Bank (ECB) — has yet to be decided, but Frankfurt is already a leading candidate.

To meet their service and technical needs or to represent national interests, most Eurocracies spawn entou-

Frankfurt already has the necessary work force and infrastructure

rages of member-country delegations, coordinating committees, corps of translators and technical staff, and journalists to cover all of this. Locals, watching this horde of Eurocrats descending upon them, sometimes draw a simple, incorrect equation: new institutions mean new, expensive, non-local personnel, new, expensive construction and an exacerbation of existing housing-cost and space problems.

Either ECB, which will probably have a staff of 200 to 300 people, is established in Frankfurt, it would be an exception to this rule. Most ECB support staff would have already been working in the city, with all necessary infrastructure and telecommunications services already established.

Each of the 69 consulates and 53 foreign chambers of commerce and trade missions in the city are already adequately staffed to handle new demands posed by the ECB, and the many translators and interpreters already in the city would welcome the extra work, especially in such low-demand languages as Greek and Portuguese. The several hundred lawyers and accountants in Frankfurt specializing in international finance could no doubt find time to handle an influx of clients.

No journalists, television reporters or data-transmission experts would have to be reassigned to Frankfurt: the 25 largest communication service companies in the world are already represented in the city. Frankfurt also serves as the headquarters for AP and Reuters in Germa-

Continued on Page 11

A Highly Mobile Business Community

Around 35,000 international executives live and work in or on the outskirts of Frankfurt. The area's 3,000 non-German industrial companies include Opel (a General Motors subsidiary) in Rüsselsheim, Du Pont and Hewlett-Packard in Bad Homburg, Procter & Gamble in Schwalbach, and Dow, Davy McKee, Nestlé and many others in Frankfurt itself.

Nor do multilingual, multicultural businesspeople work only for the city's non-German companies. Many of Frankfurt's leading enterprises — Metallgesellschaft, Degussa, Hoechst and Deutsche Bank — have created fast-track promotion programs for foreign executives.

According to Thomas T. Krauss, head of the Frankfurt-based American Chamber of Commerce in Germany, there is not even one particular watering hole for foreign business people. "I live in the Taunus mountains, in Kronberg. Like many other people, I tend to spend most of my leisure time in my particular community," says Mr. Krauss, "which of course has a lot to do with the fact that our

two children like the greenery and the space to run around in."

Most of the world's business centers feature a social dichotomy: a highly transient corps of international businesspeople and highly entrenched echelons of local executives protecting local interests.

the local and international sectors in Frankfurt, "is due to its high degree of professional mobility," both for German and non-German executives.

Ms. Eick should know. She has gone from stints at the European subsidiaries of American multinationals (IBM and A.C. Nielsen) to guiding the city's international outreach at Wirtschaftsförderung Frankfurt, the city's business development agency.

Frankfurt Fact Sheet

Size: 249 square kilometers (96 square miles)
Population: 634,142
Work force: 283,000
Commuters: 425,000
Companies: 35,400
GDP (1990): 67.3 billion Deutsche marks, of which: 28 percent manufacturing, 72 percent trade and services
How international is Frankfurt?
Over one-quarter of its residents hold a non-German passport.
Half of all exhibitors and participants at Frankfurt's trade fairs come from outside Germany.
Two-thirds of Frankfurt's 426 banks are non-German.
Source: Industrie- und Handelskammer Frankfurt am Main, Wirtschaftsförderung Frankfurt.

Stock Exchanges in the '90s: Focus on Risk Management

Rüdiger von Rosen has been speaker of the board of managing directors of Frankfurter Wertpapierbörse AG, Frankfurt's stock exchange, since 1990, and executive vice chairman of the Federation of German Stock Exchanges since 1986. After earning a doctorate on self-regulating mechanisms in capital markets in 1973, he spent 13 years at the Bundesbank, where he served as both personal advisor to Karl Otto Pöhl and as head of the press and information department. He discusses the challenges Europe's stock exchanges now face.

EC commissioner Martin Bangemann recently stated that the single market was a reality in most business sectors, with the exception of investment markets. How far have we come toward creating a free, pan-European market for financial goods and services?

In our area, some 80 percent of all measures required to "harmonize" Europe's national economies have been passed. Still on the EC's agenda are such important items as a directive on investment services. Our exchange is participating in the consultations involved in the formulation of this directive, which will feature the "Europass" for securities brokers. Another important measure to come is the directive on takeovers. Europe's national economies will soon have an accord on what pension funds can invest in and on what restrictions should be placed on investments by insurance companies. The EC Commission is facing an incredible challenge — to make sure that all of Europe's various financial "playing fields" have the same opportunities, the same rules. That doesn't mean these fields will be uniform. Quite the opposite. It means each stock exchange, for instance, will be free to develop in its own way, to further its own mix of activities. This growing pluralism is why I don't foresee the creation of a single "Eurobourse" in the immediate future. I envision a number of strong stock exchanges, each with its own focus and strengths, at least until we have a single European currency, and that will be in 1997 at the earliest.

Europe's electronic marketplaces are growing by leaps and bounds. In view of that, what kind of a future do Europe's individual stock exchanges have, especially the smaller and newer ones?

In Germany, through such electronic systems as the Integrated Stock Exchange Trading and Information System (IBIS), our various individual stock exchanges are being joined to give the country a single, contiguous capital market. Our planning no longer focuses on individual cities, but on Germany as a whole and on positioning the country to play a part in this new European or worldwide context. My assumption is that the institutional framework for such an exchange in Germany will largely be in place by the end of the year. To understand



"Openness and flexibility will definitely be a selling point for financial centers in the future."

the dynamics of stock exchanges, of course, you have to consider how long their individual histories are and how deep their ties are to their communities. Berlin's stock exchange is 370 years old; Frankfurt's exchange is 406 years old.

These stock exchanges are well-rooted parts of their communities, and it is consistent with human nature to try to preserve what one has had for so long, to try to keep



The city already boasts highly sophisticated business and telecommunications facilities.

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The Taunus: A Suburb With a Life of Its Own

The Taunus is either a low ridge of mountains, a nature reserve of some 200,000 hectares (490,421 acres) or a preferred place to live, depending on whether you are a geologist, weekend hiker or international businessperson based in Frankfurt.

Each major metropolitan area has its exclusive suburbs, its "brokers belt," somewhere on its genteel outskirts. New York has Fairfield County, Melbourne has Toorak. Each of these areas has basically the same history: beginning as a patch of unspoiled arcadia, it was "discovered" by artists and the very rich and final-

"You have to remember," says Wolfgang Assmann, mayor of Bad Homburg, "that the Rhine-Main region is a relative newcomer to the scene. The Taunus was a thriving center seven centuries before Frankfurt was founded."

The Romans, who had a good eye for salubrious climates and waters, built baths that are still in use at Schlangenbad. In the millennia that followed, dozens of monarchs, from such dynasties as Hesse-Homburg and Nassau-Idstein, fortified the Taunus's heights.

By the 18th century, many of their castles had been converted into casinos; gambling was the craze in Europe, and Western Germany's needy principalities seized the

of Emperor Frederick III. To honor him, Victoria (daughter of Great Britain's Queen Victoria) built a palace, *Friedrichshof*, and turned it into a center for the arts and a museum. She also restored medieval churches and palaces in the area and donated funds for libraries and hospitals.

The pictures Victoria collected and painted (the empress was an avid artist) are still displayed in *Friedrichshof*, now reincarnated as the *Schlosshotel Kronberg*, where American presidents, British prime ministers and other heads of state have stayed.

Today, the Taunus is busy providing a new kind of service. An increasing number of companies, following the lead of such

Only 20 minutes to city center

ly became the site of villas, expensive restaurants and lots of golf courses.

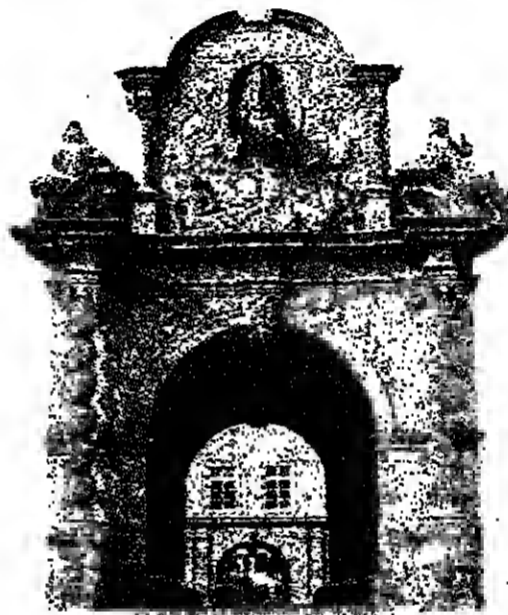
At first glance, the Taunus fits the mold. It has rows of tree-shaded villas with *Deutsche Bank*, *Hoechst* and *Metallgesellschaft* executives ensconced within them. And, like their peers elsewhere in the world's major financial centers, these executives get up every morning to commute to their towering places of work downtown. The only difference is that, in the Taunus, the commuting times are below average. You can get from Kronberg or Königstein to Frankfurt's center in 20 minutes or less.

The Taunus even has golf courses, including a public-access one (a rarity in Germany) in Bad Homburg, and Kronberg's, regularly ranked among the top in Germany. But, unlike its counterparts around the world, the Taunus is not merely a major city's exclusive suburb. Its 20-odd communities form a highly independent service center of their own.

Frankfurt's gleaming, high-tech suburbs come to an abrupt end and a range of green hills appears when one enters the Taunus. Perched on the hills are small, half-timbered cities, sweeping parks and, most strikingly, castles converted into sanatoria, royal hunting lodges converted into hotels and royal summer residences converted into museums.



Natural beauty and imposing monuments from an eventful past are combined in the Taunus, which was a thriving center seven centuries before Frankfurt was founded. Among the landmarks are the ruins of Eppstein castle, above; many species of animals can be found in the area's forests.



opportunity to cash in on this opportunity. In the 19th century, city-bound artists moved to the area in search of natural beauty. They were soon joined at Bad Homburg, Kronberg and other colonies by others seeking a summertime refuge from the sweltering metropolises along the Rhine and Main rivers.

Many of these late-19th-century summer visitors decided to make the Taunus their permanent home. One of these was the dowager empress of Germany, Victoria, widow

pioneers as Kronberg's Braun AG (manufacturer of small appliances and personal-care products), are setting up their headquarters in the region. Jacques Lagarde, Braun's chairman, could be the prototype of the new breed of Taunus executive. French-born, educated in both France and America, Mr. Lagarde has worked in the United Kingdom, France and America. He lives in Königstein, some 5 kilometers (3.1 miles) from Kronberg, "20 minutes to Frankfurt's airport, 20

Multicultural Metropolis Includes an English-Language Theater

Frankfurt is Germany's most international city and has been so for quite some time. Over a quarter of its residents hold a non-German passport, and only a sixth of the total population was born in the city.

Frankfurt's incredible profusion of Japanese schools, Sicilian *commedia della arte* troupes and Dutch painting circles are evidence of its multiculturalism.

This cultural pluralism is not restricted to adults, however. Frankfurt now has three English-language schools (the Frankfurt International School in Oberursel and two Montessori schools), and a fourth is planned. There are also Japanese, French

and Korean language schools, Coptic, Russian Orthodox and Anglican churches, five different Islamic religious institutions, dozens of non-German bookstores and other services for foreigners.

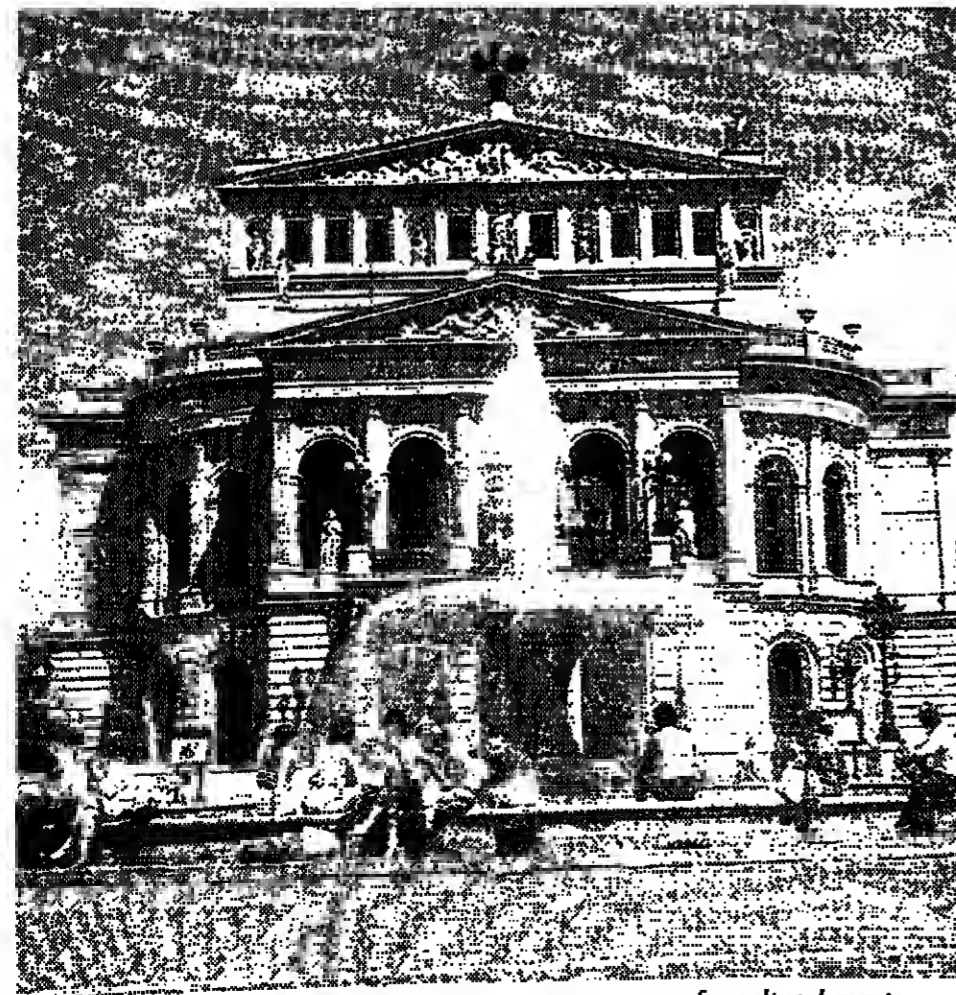
For non-German mothers, the most important one could very well be the lovely titled "Verein zur Förderung der Kinderbetreuung." This so-called "association for the promotion of child care" is actually a multilingual

bahysitting service. One of the most striking examples of the city's international character is its English Theater, currently the object of nearly universal praise. "The place to go to cap the perfect day in Frankfurt," says Gabriele Eick, chairman of *Wirtschaftsförderung Frankfurt*, the city's business development agency.

Ms. Eick is not alone in her opinion. The theater is a sell-out, which is gratifying for Judith Rosenbauer, its founder and managing director, who has the arduous responsibility of finding the funds to support an ambitious, four-productions-a-year schedule.

In creating the theater 13 years ago, Ms. Rosenbauer reasoned that this highly international city, in which learning a foreign language starts with English and French lessons for kindergartners, would support serious theater in a language other than German. With the help of several associates, she took an English-language theater group performing in Frankfurt's Sachsenhausen district and remolded it into the English Theater.

In 1981, the theater moved to its second home in the city's lively Bockenheim district. Space was a problem — the new theater had only 80 seats — but interest was not Frankfurt's large foreign



The Old Opera is one of the city's most prominent venues for cultural events.

The DTB Goes European

"Creating a Europe-wide trading floor" is how Jörg Franke describes the DTB's next phase of operations. This plan might sound ambitious, especially when one realizes that the DTB — the Deutsche Terminbörse (German Options and Futures Exchange) — has only been in existence for a little more than two years.

Since it started business on January 26, 1990, DTB has, however, reportedly managed to become Europe's largest options market.

The exchange, which is led by Mr. Franke, a 22-year veteran of international finance, now has

seven highly successful products. Its DAX (Deutscher Aktienindex — comparable to NYSE's Dow Jones average) option, for instance, has become the exchange's "best-seller" during the option's nine months of existence, and now ac-

counts for one-third of total turnover. More than 120,000 options and futures contracts are now traded on an average day by DTB.

DTB was founded to deal with a very concrete problem: without an exchange of its own, Frankfurt (and Germany) was losing business to London and other international centers. In typical Frankfurt style, the DTB has used its computerized quotation facilities to create "a nationwide trading floor." The resulting liquidity and high-quality technical services have not only succeeded in reducing German investment in futures and options back to Germany, but have also succeeded in including foreign players to make Germany a base of operations.



Gabriele Eick, chairman of the managing board of *Wirtschaftsförderung Frankfurt*.

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Fax: (069) 212 96 23
- Foreign Bank**
Kaiserstrasse 12
D-6000 Frankfurt am Main
Tel: (069) 212 96 80
Fax: (069) 212 96 89
- Chamber of Commerce and Industry**
Industrie- und Handelskammer
Main
Friedrichstrasse 109
D-6000 Frankfurt am Main
Tel: (069) 212 96 23
Fax: (069) 212 96 23
- Frankfurt am Main**
Bockenheimer Landstrasse 1
D-6000 Frankfurt am Main
Tel: (069) 212 96 23
Fax: (069) 212 96 23
- Frankfurt Airport**
Hahnstrasse 1
D-6000 Frankfurt am Main
Tel: (069) 212 96 23
Fax: (069) 212 96 23
- Frankfurt International School**
Bockenheimer Landstrasse 1
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DTB's 75 members are non-German. Their ranks include some of Europe's leading finance houses whose home computer facilities will soon go on-line with the DTB's central computers, giving the exchange the extensive international presence referred to by Mr. Franke.

For Frankfurt, the emergence of this vigorous young exchange has removed the last shreds of the "long on investment power, short on sophisticated instrumentalities" tag once pinned on the city.

Today, 30 percent of

The Life of the ECB

This year about 100 members of the monetary union will meet in Frankfurt. The following hypotheses, set in 2002, are based on discussions with bankers and officials in

"basement" conversion warrants. The drop in the Frankfurt Inter-Bank Offer Rate (FIBOR) by low 3 percent had triggered the warrants.

Another topic discussed at the meeting was a report by one of the 70 staff economists at the ECB, entitled "Quantifiable Factors Influencing EC Non-EC Capital Flows." The study had taken stock of the cumulative impact of post-1992 EC accounting and reporting regulations, and of the ECU on Europe's capital markets. Its conclusion was that harmonization and standardization, plus a single currency, had achieved one very predictable effect: Transnational, inter-ECB-bloc capital procurement costs had been reduced by up to 33 percent. An unexpected side effect: the rate of net discretionary capital transfers from the last few offshore countries in Europe to the ECB bloc was still accelerating and would soon peak to fall sharply in autumn.

The size of the offshore pool was a welcome windfall to these calculating Europe's aggregate wealth. High inter-bloc transfer costs were offsetting tax avoidance benefits and were thus drying up the offshore financial paradises.

The press conference ended with a round of questions. "What's the Eurofed's position on the scheduled taxes?" "Which city would the bank favor — Amsterdam, London or Paris — for the seat of the Eurohouse?" "What about assigning national defense budgets to the EC as a first step toward economic union?"

As he did every Friday, the EC spokesperson pointed to the sign hung over the conference room door. It read: "Frankfurt is firm, a very limited supply of money and also lately no politics."

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- Hessischer Sparkassen- und Giroverband
Federation of Hessian Savings Banks
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Tel: (069) 2173 100
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- Messe Frankfurt GmbH
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Fax: (069) 75 75 433
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Greater Frankfurt Development Authority
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Tel: (069) 25 77 251
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DIB's 75 members are non-German. Their ranks include some of Europe's leading finance houses whose home computer facilities will soon go on-line with the DTB's central computers, giving the change the extensive international presence referred to by Mr. Frankfort. For Frankfurt, the emergence of this vigorous exchange has moved the long on investment power, short on sophisticated instrumentalities tag once pinned on the city.

European Central Bank Must Focus on Controlling Inflation

Hilmar Kopper is speaker of the board of managing directors of Deutsche Bank AG, Germany's largest bank. Born in 1935, Mr. Kopper has spent his entire professional life at Deutsche Bank and its group associates. After postings in Düsseldorf, Leverkusen and Hamburg, he was named a general director of Deutsche Bank in 1975 and a member of the board of managing directors in 1977. He was named to his present position in December 1989, after the assassination of Alfred Herrhausen.

Senior Deutsche Bank executives have been advocates of a broader use of the Ecu in Germany's financial markets. What immediate future do you foresee for the Ecu? What impacts will the Ecu get from the advent of the second stage of European Monetary Union (EMU), set to start some 21 months from now?

Let's start with the Germans, who are suffering from a serious mental block when it comes to the Ecu: they simply don't like the name. When the man in the street hears the word "Ecu," he thinks of a brand of beer. So one of the first items for the immediate future is to overcome this and secure a broad base of popular support for the Ecu. It's a completely different story as far as the world's financial community goes. The Ecu share of the Eurobond market has been developing rapidly. It reached 25 billion Ecos in 1991, up from 11 billion Ecos in 1990. The Ecu has already become an important factor in the world's financial markets, and Deutsche Bank handles a substantial portion of Ecu-based transactions. There are, unfortunately, still some obstacles that prevent Frankfurt from becoming a leading Ecu marketplace. The "hardened Ecu" (in which the interior rates of exchange and absolute percentages of the currencies making up the Ecu will be irrevocably set) is in the offing. It will be even more attractive to investors and borrowers. This greater acceptance could help the Ecu play an important role among the world's currencies.

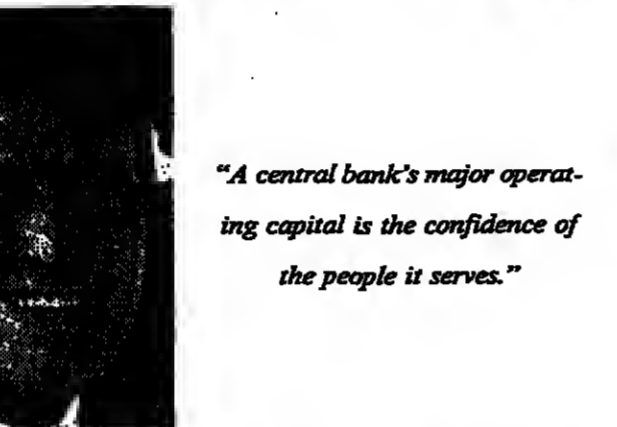
Since managing the Ecu and setting interest rates and money supply targets will be the job of the European Central Bank, what functions will the Bundesbank and other national central banks have when the EMU assumes its final form, presumably in 1999?

We have to go back to Maastricht and the decision of the European Council to set up a European System of Central Banks (ESCB). This system is to comprise the new European Central Bank (ECB) and the national

central banks of the participating countries. At Maastricht, the ESCB was entrusted with wide-ranging responsibilities: to define the EC's monetary policy and to take measures to implement it, to carry out foreign-exchange transactions, to manage the EC's currency reserves and to support the functioning of payment systems among member countries. The breadth and depth of these responsibilities were why Maastricht devised this tandem of ECB and national central banks. This sharing of responsibility is an expression of the EC's adherence to federalism, a federalism that is to be seen in the ECB's own structure. The presidents of the national central banks will be members of the European Central Bank's council, and will therefore have an essential voice in the decision-making process and thus in the EC's monetary policy. These policies will be implemented in open-market operations in the various EC countries. The success of these open-market operations will be predicated upon the existence of good, close working relationships between the ECB and the national central banks.

The day-to-day operations of the national central banks will change much less than is currently anticipated. What essential attributes will the ECB have to possess in order to gain the authority now accorded to, for example, the Bundesbank? How much supervision could the ECB have and still be an effective, independent agency?

The authority of a central bank is never based exclusively on the legal mandate conferred upon it. A central bank's major operating capital is the confidence of the people it serves. This confidence accrues through positive



"A central bank's major operating capital is the confidence of the people it serves."

performance, through consistent policies, and both of these matters involve time. To win this trust, the ECB will have to be perceived as an effective, highly committed inflation fighter from the very outset. The Maastricht agreements have mapped out an institution with a fundamental freedom of action, one that can operate without interference by national governments or the EC. In its daily operations, the new ECB will be able to avail itself of monetary policy instruments that have proven their efficacy in Europe's various market economies. While this bank will be new, its overriding priority — price stability — will not be. This continuity in successful

policy-making could be affirmed in the choice of a site for the bank's headquarters. For this reason, Frankfurt would be an ideal location for the bank.

Independence and accountability — and this should be emphasized — are not mutually exclusive. The ECB's accountability will take three forms. The ESCB will be brought into being only after it has been ratified by the parliaments of the individual member countries wishing to join. In addition, the ESCB's president will regularly appear before the European parliament to report on his bank's policies. And, of course, the general public will control the ESCB's activities.

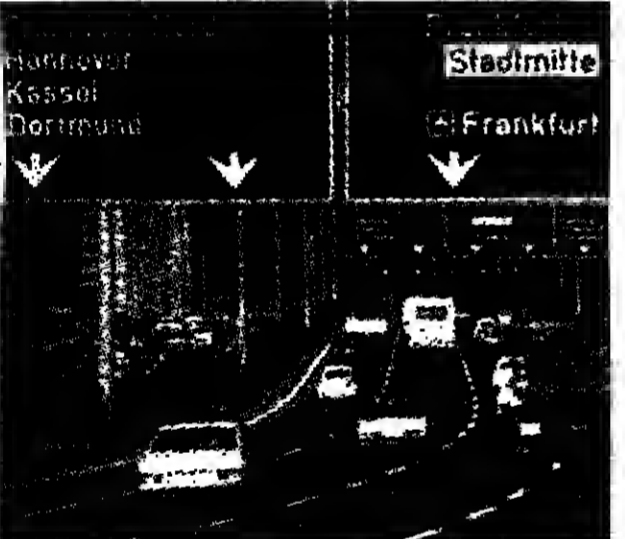
Are the open financial markets created by 1992's trade liberalization policies inducing convergence among the national economies, or are further measures required in this area? What role could the Ecu play in expediting the convergence process?

Europe's national economies have to converge. Only when this is the case will economic and monetary union in Europe be feasible. The treaty of Maastricht recognized this fact, established convergence as a prime requisite and set up four criteria to measure it (low rates of inflation, budget deficits that only make up a small percentage of national gross domestic products, small intra-country interest rate differentials and a two-year membership in the narrow band of the EMS's exchange rates) for countries applying for membership in the EMU. The single market will take hold in 1993. It will foster convergence by increasing the interdependence of the national economies. The Ecu, in my opinion, should not be relied on to expedite this process. Rather, a common European currency will be an outcome of this convergence. The Ecu can serve as a catalyst; it can strengthen the links between forces promoting monetary and fiscal discipline in the EC.

National central banks, national governments, regional politicians — never has the coalition opposing the ECB seemed so broad. Do you foresee a change in this situation, or can you discern a core of support for the ECB?

I'm not pessimistic concerning the support for the ECB. Obviously, the Maastricht agreement has set off a wave of emotions. This is especially true of the Germans, whose required love relationship with the Deutsche mark is many years old. But reason, not emotions, will prevail. And reason says that the EMU is a major step toward the integration of Europe. I don't see stopping the integration process at the halfway point as being a viable alternative to proceeding full steam ahead toward a united Europe. You have to look at the process as a whole. The single market will set off a process of growth and unity in Europe, and Germany stands to be a prime beneficiary of that process, which will conclude with a single European currency and a central bank.

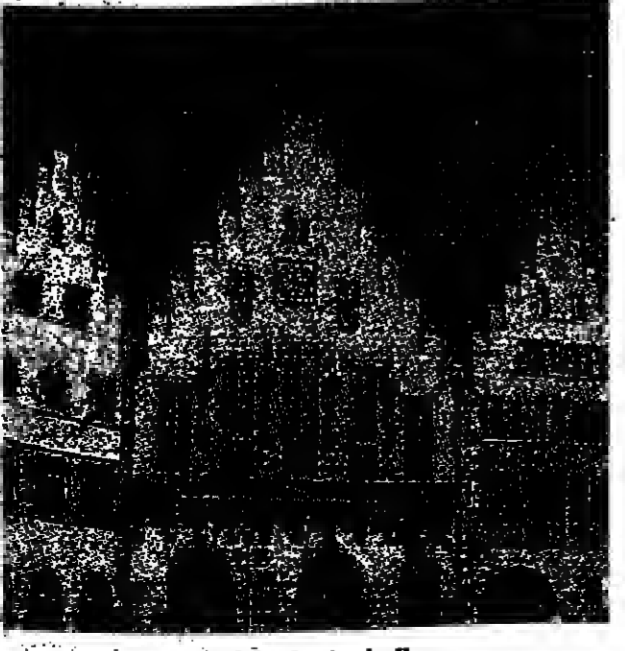
I am optimistic that the dimensions of this process will, in time, be appreciated by the general public — especially once they see how strong the ESCB's commitment to stability really is, that it is as strong as that of the German authorities to the Deutsche mark. This commitment has been, after all, written into the statutes setting up the ESCB.



Around 440,000 workers commute to the city Monday through Friday.



The airport's current upgrading is budgeted at 7 billion Deutsche marks.



Frankfurt's city hall, an example of the city's distinctive architecture.

Coping With Thousands of Visitors

Frankfurt's Mayor Andreas von Schoeler discusses the city's challenges in handling the influx of tourists and business visitors, particularly during the Frankfurt Messeturm opening.

Frankfurt's Mayor Andreas von Schoeler, 44, has been Frankfurt's mayor since May 1991. Mr. von Schoeler, an attorney, began his career in politics in 1972, when he was elected to the Bundestag (German federal parliament). Before becoming mayor, Mr. von Schoeler served several terms in the Bundestag, held several ministerial portfolios at the national, state and civic levels, and worked in the electronics industry. He discusses the city's pluralism and adaptability.

In the 1950s and early 1960s, Frankfurt was occupied with carrying out its new role as Germany's financial and communications center. In the 1970s and 1980s, Frankfurt increasingly became a base for the world's business community. What role do you see Frankfurt playing in the 1990s?

The '90s version of Frankfurt came into being through the move toward European integration, which was kicked off by the publication of the EC's White Book in 1985. Frankfurt's assets have been shaped by and embody those of a united Europe: a central location within an integrated region, excellent transport connections, the potential of a united market with, in this case, 3.6 million people, a work force of 2 million and a GDP of 175 billion Deutsche marks (US\$108 billion).

The unification of Germany — another key event of the 1990s — has given a new dimension to our central location. The more rapidly Eastern Europe and Eastern Germany progress with the revitalization of their economies, the more this aspect of our location will be an active advantage.

The signs of a decade of fast-paced growth are to be seen everywhere in Frankfurt and surrounding communities — the new office buildings, museums and leisure areas. What unfinished business does the city still have on its agenda?

A city is never finished. Businesses are always changing, and with them come new imperatives for the communities in which they are located. One example of the region's commitment to improving infrastructure is provided by [Frankfurt's] airport, which is currently investing 7 billion Deutsche marks in upgrading its facilities. The joining of the various urban and rural communities of the Rhine-Main region into one economic unit has left us with a highly diverse, very broad base made up of large and small, national and international companies. The skills used in weaving the region together — especially in the areas of providing public transportation, business development and education — are now being deployed on a larger scale. The federal government, the Bundesbank and other members of Germany's banking and financial community have been working together to increase the competitiveness of Germany's financial goods and services. These joint efforts range from supporting the city's application to be the site of the Europe-

Central Bank to assuring an ample supply of office space for the city's financial community.

What changes has the Rhine-Main region been undergoing over the past few years? What is the relationship between the region and its lead city?

First of all, there's the geographic dimension. The region has expanded considerably over the past few years. In 1974, when the Greater Frankfurt Regional Development Authority was founded, it comprised 43 communities with a total area of 1,400 square kilometers (540.4 square miles) and a million and a half inhabitants. Today, the region includes some 3.6 million people and 7,500 square kilometers. Secondly, it's a region that has learned how to work together, of communities that have gotten past local rivalries to come together on a wide range of projects. This has been especially true during the last year or so. We've launched projects in the areas of housing, public transportation, water supply, waste disposal and the providing of commercial sites.

There's been a concentrated focus on Frankfurt as a "global" city. Is it still possible to think local in this highly cosmopolitan city?

Of course. Frankfurt's population is a pluralism of local cultures; its topography is even more pluralistic, non-uniform. There's the central business district, and then we have neighborhoods that really still have something of the village about them. Each of these neighborhoods has its own identity and traditions; each has its own pace.

"Businesses are always changing and with them come new imperatives for the communities in which they are located."

Local Character and Global Ambitions

Andreas von Schoeler, 44, has been Frankfurt's mayor since May 1991. Mr. von Schoeler, an attorney, began his career in politics in 1972, when he was elected to the Bundestag (German federal parliament). Before becoming mayor, Mr. von Schoeler served several terms in the Bundestag, held several ministerial portfolios at the national, state and civic levels, and worked in the electronics industry. He discusses the city's pluralism and adaptability.

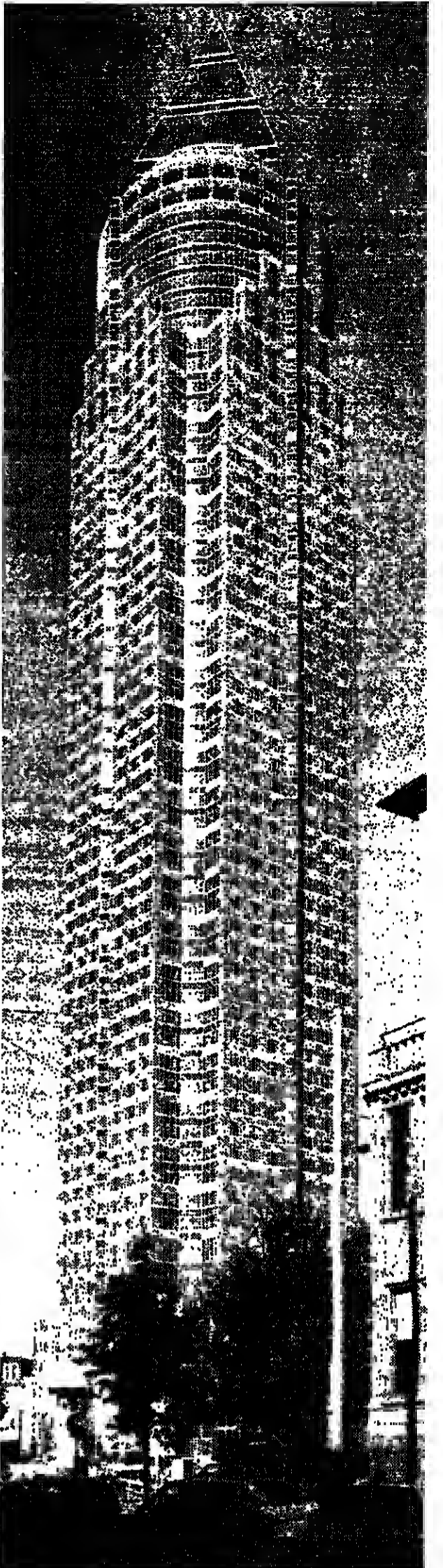
In the 1950s and early 1960s, Frankfurt was occupied with carrying out its new role as Germany's financial and communications center. In the 1970s and 1980s, Frankfurt increasingly became a base for the world's business community. What role do you see Frankfurt playing in the 1990s?

The '90s version of Frankfurt came into being through the move toward European integration, which was kicked off by the publication of the EC's White Book in 1985. Frankfurt's assets have been shaped by and embody those of a united Europe: a central location within an integrated region, excellent transport connections, the potential of a united market with, in this case, 3.6 million people, a work force of 2 million and a GDP of 175 billion Deutsche marks (US\$108 billion).

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Frankfurt Messeturm, Europe's tallest office building.

Future ECB Site?

Continued from Page 9
ny. VWD, the leading German-language business information syndicate, is also located in the region. Frankfurt's 340 management consulting companies and 63 market research firms would stand to get a bit more work from clients wishing to have on-the-scene appraisals of the "Eurofed's" future actions.

The prime beneficiaries of this lack of move-related upheaval would be the governors and staff members of the new bank. With over 3,000 foreign companies and 280 foreign banks, Frankfurt is a specialist in making non-Germans feel at home. Even the city's multilingual street signs do their part. Serving as an international center is nothing new to Frankfurt.

What would the ECB's main function be? Today, as for any international financial institution, the real work would consist of evaluating and processing reams of computer-related data. While Europe's politicians are busy wrangling over the ramifications of monetary union, the EC's information processing specialists, including new ECB executives, would have other concerns.

Europe's proposed ECB will act with and through national central banks, generating a tremendous two-way flow of data. Since monitoring the continent's economy is a complex and high-stakes task, high-capacity data transmission and telecommunication links will be required. In Frankfurt, ISDN and sophisticated data-transmission systems are already in place, and the Bundesbank could help consult on the parameters required by such a two-tier system, which is similar to Germany's own federal banking system.

It is widely assumed that the new central bank will have a simple presiding authority-client relationship with Europe's finance houses, the targets of the bank's monetary policies. European finance, however, is by no means a monoculture; each financial sector handles the credit needs of discrete business communities.

Many of Europe's major financial centers do exhibit a tilt toward national or sectoral activity. Be it toward offshore transactions or serving large institutional clients, "local" banking — the community-based financing of individual consumer and business needs — is often consigned to the provinces.

In Frankfurt, as Adolf Schmitt-Weigand, executive chairman of Hessische Sparkassen- und Giroverband (the association of Hessian savings banks) points out, there is full representation by the four main banking sectors: the public-sector credit houses (including the savings banks), the credit unions, private-sector universal banks, and foreign financial institutions.

As Mr. Schmitt-Weigand states, this little-understood pluralism, which has been the motor behind Frankfurt's rise, could provide the new central bank with a highly necessary sounding board.

NYSE

Monday's Closing

Tables include the nationwide price up to the closing on Wall Street and on other exchanges elsewhere. Via The Associated Press

Symbol	Price	Change
IBM	128.25	+0.25
Microsoft	68.75	+0.25
Apple	45.25	+0.25
Oracle	38.50	+0.25
Sun	28.75	+0.25
Intel	22.50	+0.25
Amgen	18.75	+0.25
Genentech	15.25	+0.25
Novartis	12.75	+0.25
Boehringer	10.25	+0.25
Glaxo	8.75	+0.25
SmithKline	7.25	+0.25
Wellcome	6.75	+0.25
Roche	5.75	+0.25
Novartis	4.75	+0.25
Boehringer	3.75	+0.25
Glaxo	2.75	+0.25
SmithKline	1.75	+0.25
Wellcome	0.75	+0.25
Roche	0.25	+0.25

Symbol	Price	Change
Merck	45.25	+0.25
Schering	38.75	+0.25
Novartis	32.25	+0.25
Boehringer	25.75	+0.25
Glaxo	19.25	+0.25
SmithKline	12.75	+0.25
Wellcome	6.25	+0.25
Roche	0.25	+0.25

Symbol	Price	Change
Novartis	32.25	+0.25
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SmithKline	12.75	+0.25
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SmithKline	12.75	+0.25
Wellcome	6.25	+0.25
Roche	0.25	+0.25

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Symbol	Price	Change
Novartis	32.25	+0.25
Boehringer	25.75	+0.25
Glaxo	19.25	+0.25
SmithKline	12.75	+0.25
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Wellcome	6.25	+0.25
Roche	0.25	+0.25

INTERNATIONAL
More News
Good News
B

CURRENCY

For Rates

US Dollar Value

Interest Rates

INTEREST RA

Emergency Deposit

Money Rates

INTERNATIONAL STOCKS More News Looks Like Good News in Budapest

By Henry Copeland Special to the Herald Tribune BUDAPEST — Last Monday, the Budapest Stock Exchange moved out of the rented room it had used for trading since opening day on June 15, 1990...

Quarterly financial reporting will give traders something to chew on. Budapest's exchange has 49 brokerage firms trading 21 stocks. With a capitalization of \$500 million, Budapest towers over its only East European competitor, the Warsaw Exchange...

IN THE PAST, Hungarian companies were required to report only annual results, and had five months to release this data. But a new rule approved by the Budapest exchange will require companies traded there to release detailed financial data 30 days after the end of each quarter...

While the quarterly results will be unaudited, they will offer investors something other than rumor to chew on. This will be welcome news at the exchange, where total equity capitalization jumped from 19.3 billion forints at the beginning of 1991 to 40.5 billion forints at the end of the first quarter of 1992...

CURRENCY RATES

Table with columns for City, Country, Currency, and Rate. Includes entries for Amsterdam, Frankfurt, London, Milan, New York, Paris, Tokyo, Toronto, Zurich, and other international locations.

INTEREST RATES

Table with columns for Eurocurrency Deposits, Key Money Rates, and Asian Dollar Deposits. Shows various interest rates for different currencies and terms.

U.S. Money Market Funds

Table with columns for Fund Name and Yield. Lists various money market funds and their current yields.

GOLD

Table with columns for Location and Price. Shows gold prices in various international locations like London, New York, and Zurich.

Key Money Rates

Table with columns for Instrument and Rate. Lists various financial instruments and their corresponding rates.

Rail Tunnel Delayed in Denmark, Cost Rises

COPENHAGEN — The stock of the Danish construction company Monberg & Thorsen Holding A/S rose Monday after a consortium it leads was given an extra year and a further 950 million kroner (\$150 million) to build rail tunnels under the Great Belt waterway...



The twin rail tunnels, 7.4 kilometers (4.6 miles) long, are part of Denmark's largest construction project, a link that also includes two bridges across the Great Belt. The bridges and tunnels will link Zealand island, where Copenhagen is, with the European mainland via Fyn island.

The rail tunnels are now to cost 4.1 billion kroner and to be completed in 1995. Before the agreement, extra funds from the state-run project operator, announced over the weekend, the entire project was budgeted at 27.7 billion kroner.

Monberg & Thorsen holds 24 percent of the tunnel consortium, MT Group, which also includes Campenon Bernard and SOGEA of France, Dyckerhoff & Widmann AG of Germany and Kiewit Construction Co. of the United States.

It had originally claimed 2.6 billion kroner in compensation from the operator, Great Belt Link A/S. The consortium cited lengthy delays caused when the tunnels flooded last year, seriously damaging drilling equipment. MT Group said Great Belt Link's geological survey and testing were insufficient.

The claim was dropped as part of the weekend settlement. The agreed payment from Great Belt Link includes 600 million kroner to cover extra safety installations, to limit the risk of flooding.

Monberg & Thorsen Holding's stock rose 40 kroner a share Monday, to 1,080. The company said it welcomed the deal and said the extra cash would make up for losses on the project in 1991 and its estimate of loss in 1992 on the project.

MT Group is locked in another tussle with the maker of its four boring machines, James Howden & Co. (Reuters, APX)

KLM Turns to Regional Ties Air Littoral and Air UK Occupy BA's Place for Now

AMSTERDAM — KLM Royal Dutch Airlines will use its links with Air UK and Air Littoral to boost capacity in the near future, leaving a possible resumption of cooperation talks with British Airways to wait for several years, according to an executive of the Dutch carrier.

Peter Alberda van Ekenstein, KLM's vice president for finance and holdings, said the airline's goal of increasing its European market share to 10 percent from 2.6 percent in a decade would require alliances, and the British Airways talks, which broke off in February, revealed many potential benefits of combining their operations.

He said the half-year of negotiations showed the airlines had much in common, not least being the only large privately owned European carriers. "The synergy was immensely positive. Technically, we could pinpoint a number of the benefits clearly, though you don't know if the outcome will be the same," he said.

On Sunday, KLM denied a published report that it had been approached by American Airlines about cooperation. American refused to comment on the article. KLM also denied that it had reopened cooperation talks with BA.

Mr. Alberda van Ekenstein said KLM was pleased with its partnership with Northwest Airlines, in which it holds a 20 percent stake. KLM wants to build its market with regional European flights feeding into Amsterdam's Schiphol airport as the international hub, Mr. Alberda van Ekenstein said.

Some French people still have a gnawing fear about a Japanese invasion, that their precious châteaux will be packed up and transplanted abroad, Mr. Fujimoto said during an interview.

Mr. Fujimoto has torn up old vines and transformed the contours of the land to capture the best angle of the sun and improve irrigation. He has installed computerized fermentation vats and his oak barrels are toasted at different temperatures to impart a more complex flavor to the wine.

Since the Japanese took over Citran in 1987, production has grown to 600,000 bottles a year, making it the second-largest producer in the Médoc. As for quality, the wine critic Robert M. Parker Jr. described Citran as "one of the bright shining stars" of the Haut-Médoc.

"We are creating a winery for the 21st century, and the beneficiaries will be our children," Mr. Fujimoto said. "But I try to reassure my French friends that this does not mean that the Japanese presence here will necessarily be eternal. Wine has been made here for more than 2,000 years, and many different nationalities have passed through already."

Mr. Fujimoto's success in reversing the vineyard's declining reputation while defusing French anxieties about his goals has turned him into something of a guru for several Japanese businessmen eager to acquire French wine properties without arousing national sensitivities.

Sanraku, a wine and spirits importer, has taken over Château Rayson, and the farm-machinery company Otani owns Chateau Lagarosse near Bordeaux.

The financial strength behind Mr. Fujimoto's ambitious comes from his patron, Sukagiro Itani, a property tycoon, who has poured tens of millions of dollars into upgrading the chateau.

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France to Hold Spending Rise To 3.5% in '93

PARIS — France will find extra cash for law and order, jobs and education in 1993, but total state spending will not be allowed to rise by more than 3.5 percent, a senior adviser to Prime Minister Pierre Bérégovoy said Monday.

Mr. Bérégovoy was sending letters to his ministers Monday, informing them of the spending guidelines, the adviser said. This is the first stage in the procedure for drawing up the annual budget, which is normally completed in September.

The official confirmed that the government was sticking to its forecast that inflation would be just 2.8 percent in 1993. Mr. Bérégovoy's proposals thus imply a modest increase in real spending in 1993, but the official stressed that ministerial budgets would be scrutinized and unnecessary spending cut.

Some ministries will be allowed to increase spending by more than the 3.5 percent to fund priority programs. There will be continued funding for job-creation schemes, more teachers will be recruited and there will be money to improve living conditions and law and order in the cities.

France recently launched a plan to provide jobs or vocational training for its 900,000 long-term unemployed. The authorities remain optimistic that GDP growth will pick up to 2 percent or so this year, from 0.9 percent in 1991.

International organizations have been scaling back their 1992 forecasts, but the official noted that the French statistics office, INSEE, revised upward its forecast for growth to an annualized 2.5 percent in the first half of this year.

Polish Bonds for Foreigners

WARSAW — Poland plans to sell three-year government bonds in August that will be open to foreign investors, Andrzej Olechowski, the caretaker finance minister, said Monday.

The issue of 7 trillion zlotys (\$511 million) worth of bonds will follow an issue in June of 8 trillion zlotys worth of one-year bonds that will be available only to Poles. Both issues will help finance Poland's budget deficit, expected to total 65 billion zlotys.

Foreign purchases of the bonds are likely to be restricted, officials said; they did not elaborate. The interest on the three-year bonds will be paid every three months in accordance with the interest fixed in the secondary market for 13-week Treasury bills in the period, plus a 10 percent margin.

The interest on one-year bonds will be paid only on maturity and will equal yearly inflation plus a margin of 5 percent.

THIRD SHOW FOR COMPANY LOCATIONS AND LOCAL DEVELOPMENT. June 16 to June 18 1992. Parc des Expositions, Hall 2-2 - Porte de Versailles - Paris.

INDICATIVE PROGRAMME FOR SEMINARS AND DISCUSSIONS. TUESDAY JUNE 16TH. 9.30 am to 11.00 am: The Single Market: Year One for setting up in Europe.

Swaps Market Enjoys 'Phenomenal Growth'

By Carl Gewirtz International Herald Tribune The Bank for International Settlements stresses what it calls the "phenomenal growth" of swaps, the market in which institutions exchange future positions on interest rates, currencies or other assets.

The BIS's quarterly report (Page 17), released Monday, said swaps on rates and currencies not appearing on bank balance sheets amounted to 75 percent of the international assets of banks reporting to the BIS, compared with around 25 percent six years ago. The expansion "is likely to continue," said the BIS, based in Basel, Switzerland.

Although the report did not give a value judgment about the trend, regulators have previously expressed some concern about the swap market's effect on the stability of the banking system.

Noting how activity in futures markets is displacing traditional forms of banking activity, the report said that the ratio of open positions in Eurodollar contracts to the outstanding dollar-denominated interbank assets of banks reporting to the BIS rose from less than 15 percent at the end of 1987 to 40 percent last year.

The report noted that turnover in the Euroyen contract "has become nearly equal to the aggregate volume of transactions" in the Japanese money markets. Banks are most present in interest-rate-related futures. They account for one-third of the activity in the three-month Eurodollar contract and two-thirds of the activity in the one-month Libor contract.

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Advertisement for Hotel Plaza Athénée in New York. Includes text: 'A TOUCH OF FRANCE HOTEL PLAZA ATHÉNÉE NEW YORK. Best Business Hotel in the World. (Ranked among Top 3 Hotels) (American Express Survey, London) 37 East 64th Street, between Madison and Park New York, New York 10021. Reservations: (212)734-9100 or Forté Hotels 1 (800)225-5843 By Facsimile: (212)772-0958 or consult your travel agent.'

Handwritten Arabic text at the bottom of the page.

MARKET DIARY

Wall Street Surges On Rate-Cut Hopes

NEW YORK — U.S. blue-chip stocks bounced to a record Monday, helped by gains on overseas equity markets, firm bond prices and persistent talk of a credit easing.

232.14 points to 18,608.09, continuing a month-long recovery. Britain's FT-SE 100 closed at a new high for a fourth straight session, rising 12.10 to 2,737.80.

The Dow Jones industrial average rose steadily through the day to close at its session high of 3,397.58 points, up 28.17, the Dow's 19th record for the year.

The Federal Reserve did not ease credit as many investors had hoped after the April jobs report last Friday, which showed that nonfarm payrolls rose 126,000 and the unemployment rate fell to 7.2 percent from 7.3 percent.

The foreign markets certainly were a help, Japan particularly. Clearly the bond market has been helpful here, too, said Jack Conlon, managing director at Rothchild Inc.

"The perception is that with weak money supply, the Fed still has to do something," said Ned Collins, executive vice president in charge of U.S. equity trading at Daiwa Securities America.

Traders Turn Attention Away From the Dollar

NEW YORK — The U.S. dollar ended lower Monday against key currencies as traders turned their attention to the Deutsche mark and the Canadian dollar.

from 5.5253 francs. The British pound ended at \$1.7947, up from \$1.7905.

The dollar's low return compared with that of European currencies prompted dealers to lighten their dollar holdings, said Guy Pasquier at Credit Lyonnais in New York.

Forecasters are expecting prices to edge up to 0.3 percent, not enough to represent a near-term threat to inflation.

The Bank of Canada was sent throughout the session selling U.S. dollars to slow the Canadian dollar's decline following comments by the Canadian Finance Ministry.

"This week's economic data will be strong enough to suggest an economic recovery but weak enough to raise doubts about its duration," said Trude Latimer, market strategist at Josephthal Lyon & Ross.

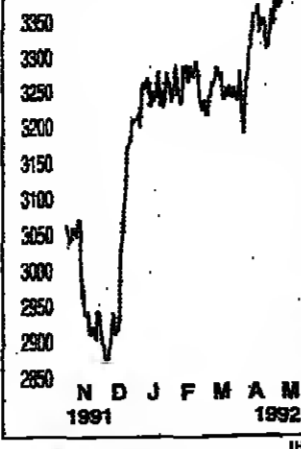
Lack of market-moving news slowed trading, they added. The U.S. unit closed at 1.2053 Canadian dollars, compared with 1.2029 at Friday's close.

On Wednesday, the market will be watching the reports on retail sales for April and the Consumer Price Index for April.

WORLD STOCK MARKETS

Table with columns for Market, Close, Prev. Close, and various stock indices including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich, and various regional indices.

The Dow



Dow Jones Averages

Table with columns: Index, High, Low, Close, Chg. Includes Industrial, Composite, and Standard & Poor's indexes.

NYSE Indexes

Table with columns: Index, High, Low, Close, Chg. Includes Composite, Industrials, and Finance.

NASDAQ Indexes

Table with columns: Index, High, Low, Close, Chg. Includes Composite, Industrials, and Finance.

AMEX Stock Index

Table with columns: Index, High, Low, Close, Chg. Includes Composite, Industrials, and Finance.

Dow Jones Bond Averages

Table with columns: Index, High, Low, Close, Chg. Includes 30 Bonds, 10 Industrials, and 10 Govts.

Market Sales

Table with columns: Index, High, Low, Close, Chg. Includes NYSE, AMEX, and NASDAQ.

S&P 100 Index Options

Table with columns: Index, High, Low, Close, Chg. Includes Call, Put, and Total.

Amex Diary

Table with columns: Index, High, Low, Close, Chg. Includes Composite, Industrials, and Finance.

NASDAQ Diary

Table with columns: Index, High, Low, Close, Chg. Includes Composite, Industrials, and Finance.

Sydney

Table with columns: Index, High, Low, Close, Chg. Includes Composite, Industrials, and Finance.

Tokyo

Table with columns: Index, High, Low, Close, Chg. Includes Composite, Industrials, and Finance.

Milan

Table with columns: Index, High, Low, Close, Chg. Includes Composite, Industrials, and Finance.

Singapore

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Stockholm

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Toronto

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Zurich

Table with columns: Index, High, Low, Close, Chg. Includes Composite, Industrials, and Finance.

EUROPEAN FUTURES

Table with columns: Close, High, Low, Prev. Close, Chg. Includes SUGAR (FOX) and COFFEE (FOX).

Food

Table with columns: Index, High, Low, Close, Chg. Includes SUGAR (FOX) and COFFEE (FOX).

Stock Indexes

Table with columns: Index, High, Low, Close, Chg. Includes FTSE 100 (LIFFE) and DAX (EUREX).

Industrials

Table with columns: Index, High, Low, Close, Chg. Includes GASEOL (HFE) and BRENT CRUDE OIL (IPE).

N.Y.S.E. Odd-Lot Trading

Table with columns: Index, High, Low, Close, Chg. Includes Composite, Industrials, and Finance.

Spot Commodities

Table with columns: Index, High, Low, Close, Chg. Includes Aluminum, Copper, and Iron.

Financial

Table with columns: Index, High, Low, Close, Chg. Includes S&P 500 (CME) and S&P 500 (CME).

U.S. FUTURES

Table with columns: Season, High, Low, Open, High, Low, Close, Chg. Includes WHEAT (CBT) and SOYBEANS (CBT).

Grains

Table with columns: Index, High, Low, Close, Chg. Includes WHEAT (CBT) and SOYBEANS (CBT).

Metals

Table with columns: Index, High, Low, Close, Chg. Includes GOLD (COMEX) and SILVER (COMEX).

Livestock

Table with columns: Index, High, Low, Close, Chg. Includes HOGS (CME) and CATTLE (CME).

Financial

Table with columns: Index, High, Low, Close, Chg. Includes U.S. T-BILLS (OHM) and U.S. TREASURY (CBT).

Food

Table with columns: Index, High, Low, Close, Chg. Includes COFFEE (NYICE) and SUGARWORLD (NYICE).

Stock Indexes

Table with columns: Index, High, Low, Close, Chg. Includes NYSE COMP. INDEX (NYSE) and NYSE COMP. INDEX (NYSE).

Commodity Indexes

Table with columns: Index, High, Low, Close, Chg. Includes Moody's and Reuters.

Market Guide

Table with columns: Index, High, Low, Close, Chg. Includes NYSE, AMEX, and NASDAQ.

General Dynamics Seals Missile Deal

FALLS CHURCH, Virginia (Combined Dispatches) — General Dynamics Corp. said Monday that it had agreed to sell its missile business to Hughes Aircraft Co., a unit of General Motors Corp., in a deal worth at least \$450 million.

General Dynamics said it would receive 21.5 million GM Hughes class H common shares for its missile business through a public offering under GM's control. Shares not sold in the public offering will be reacquired from General Dynamics on Sept. 30, 1993.

The defense contractor said last week that it was in the "final stages" of negotiations with GM Hughes Electronics Corp., parent of the aircraft unit, to sell the business.

U.S. Banks Are Urged to Lend More

WASHINGTON (Combined Dispatches) — John E. Lundberg, deputy Treasury secretary, urged U.S. banks on Monday to resume the lending he said was necessary to ensure economic recovery.

"Frankly, it is time that the banks came out of hibernation and started lending," Mr. Lundberg said at the New Hampshire Forum in Manchester. The Treasury official said that despite government efforts to eliminate the so-called credit crunch, some banks continued to invest their deposits in safe government securities rather than make loans.

Separately, Lawrence Lindsey, a Federal Reserve Board governor, said that banks would have to take steps to reverse the perception that they discriminate against minorities in their lending practices.

Although most banks do not discriminate against minorities in their lending, "the mere perception of unfairness, not to mention its reality, may drive policymakers to take action," Mr. Lindsey said in an address to the California Bankers Association in Long Beach, California.

Wal-Mart Net Rises on Strong Sales

BENTONVILLE, Arkansas (AP) — Wal-Mart Stores Inc. said Monday its profit jumped 26 percent in the three months ended April 30, reflecting better-than-expected sales and tighter expense controls.

The giant discount retailer recorded a net profit of \$386.9 million, or 34 cents a share, in the period, up from \$306.9 million, or 27 cents a share, in the year-earlier quarter. Sales climbed 26 percent, to \$11.6 billion, from \$9.3 billion a year earlier.

W. R. Grace to Sell Energy Holdings

BOCA RATON, Florida (Bloomberg) — W.R. Grace & Co. said Monday that it planned to sell off its energy businesses for \$700 million as part of a plan to divest \$1 billion of nonstrategic assets this year.

J.P. Bolden, Grace's president, said at the company's annual meeting that the energy holdings were among 12 businesses the company planned to sell in 1992. Grace said it expected to sell its energy assets in a few weeks and use proceeds to reduce debt.

The company's energy holdings include Grace Energy Corp., Coloway Coal Co., Homco International, and Grace Offshore Co. The planned sale is part of Grace's strategy to focus on chemicals and health care.

For Investment Information

Read the MONEY REPORT every Saturday in the IHT

For the Record

Morrison Knudsen Corp. said Monday that it had signed a joint venture agreement with Mongol Erdene, a Mongolian firm, to jointly develop a gold-mining project in Mongolia.

National Semiconductor Corp. said it would invest \$90 million to expand a factory in Greenock, Scotland, that specializes in manufacturing analog devices that are used for communications.

Revo D.S. Inc. said it expected to emerge from bankruptcy court protection on June 1 under a reorganization plan approved in April.

Stock Indexes

Table with columns: Index, High, Low, Close, Chg. Includes NYSE COMP. INDEX (NYSE) and NYSE COMP. INDEX (NYSE).

Commodity Indexes

Table with columns: Index, High, Low, Close, Chg. Includes Moody's and Reuters.

Market Guide

Table with columns: Index, High, Low, Close, Chg. Includes NYSE, AMEX, and NASDAQ.

Missile Deal

Combined Dispatches — General Dynamics Corp. in a deal...

Urged to Lend More

John E. Robinson, director of the U.S. Agency for International Development...

Sell Energy Holdings

W.R. Grace & Co. is selling its energy businesses for \$700 million...

Midland Suitors: On the Defensive?

As Midland Bank's chief executive accused HSBC PLC...

of \$845 million, ranking it among the world's top 15 banks.

become prey for a European predator if the current bids foreshadowed.

Gorbachev Takes Tour Of Capitalist Haunts

By Alison Mitchell, New York Times Service

NEW YORK — Gone are the days when communist propaganda posters showed American financiers with pig snouts...

EC Tells Bull: 'Not So Fast'

Reuters

BRUSSELS — Plans by the French state-controlled computer maker, Compagnie des Machines Bull...

Investor's Europe

Table with columns for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, and various exchange rates.

Pirelli Is Hit By Continental Capital Plan

Shares in Pirelli SpA plunged more than 4 percent Monday...

BTR Sells Its 4% Pilkington Stake

LONDON — BTR PLC on Monday sold its shares in the glassmaker Pilkington PLC...

German Trade Surplus Doubles

FRANKFURT — A sharp rise in exports helped increase Germany's trade surplus in March...

The Big 3 Swiss Banks Keep S&P's Top Rating

LONDON — Standard & Poor's Corp. on Monday affirmed the AAA credit ratings of Swiss Bank Corp...

Profit Up at Investor, Down at Saab

STOCKHOLM — Investor AB announced Monday that its profit after net financial items...

Finland's Metra Has Loss but Foresees Improvement

HELSINKI — Metra Oy, the diversified industrial group formed last year through the merger of Oy Wartsila and Lohja Oy...

Very briefly:

- Arji SA said it would offer to buy out the minority shareholders in MMB SA... Permod-Ricard SA said it expected improved earnings this year because of its strategy of internationalization...

NASDAQ

Monday's Prices. The list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value...

Table listing NASDAQ stock prices for various companies.

Table listing stock prices for various companies.

Table listing stock prices for various companies.

Table listing stock prices for various companies.

Table listing stock prices for various companies.

Table listing stock prices for various companies.

Table listing stock prices for various companies.

Table listing stock prices for various companies.

Industrials

Table listing industrial stock prices.

Stock indices

Table listing stock indices.

Commodity indices

Table listing commodity indices.

Market Guide

Table listing market guide information.

AMEX

Monday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

High	Low	Stock	Div	Yld	PE	High	Low	High	Low	High	Low
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8
23 1/8	23 1/8	AAIC	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8

High	Low	Stock	Div	Yld	PE	High	Low	High	Low	High	Low
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8

High	Low	Stock	Div	Yld	PE	High	Low	High	Low	High	Low
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8

High	Low	Stock	Div	Yld	PE	High	Low	High	Low	High	Low
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8

High	Low	Stock	Div	Yld	PE	High	Low	High	Low	High	Low
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8



High	Low	Stock	Div	Yld	PE	High	Low	High	Low	High	Low
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8

LATIN AMERICA: THE NEW ECONOMIC CLIMATE

July 21-22, 1992
Palace Hotel, Madrid

The objective of the fourth biennial Latin America conference is to detail the profound economic changes taking place in the region which are fostering renewed investor confidence. This major international gathering is co-sponsored by the International Herald Tribune, the Inter-American Development Bank and the Corporacion Bancaria de Espana SA.

For program details, please contact Jane Blackmore at the International Herald Tribune in London. Tel: (44 71) 379 4302. Fax: (44 71) 636 0717.


NYSE

Monday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

High	Low	Stock	Div	Yld	PE	High	Low	High	Low	High	Low
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8

High	Low	Stock	Div	Yld	PE	High	Low	High	Low	High	Low
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8

High	Low	Stock	Div	Yld	PE	High	Low	High	Low	High	Low
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8
23 1/8	23 1/8	AAI	0.25	4.0	11.5	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8	23 1/8

Win a FREE Trip to Japan!

Dream up a winning slogan for the Japan Association of Travel Agents (JATA). And you may take a seven-day dream vacation for two to Tokyo and Kyoto. Free.

The Contest JATA wants to attract more visitors to Japan and encourage international friendship. So we're creating a new campaign that goes beyond traditional images of Mt. Fuji, cherry blossoms and geisha. And we invite you to enter our worldwide Slogan Contest.

It's easy to enter. Compose an English phrase or sentence that promotes travel to Japan. Complete the coupon here, then clip and mail (or fax) to us. Enter as often as you like. There's no entry fee, no purchase necessary, and no limit to your powers of inspiration.

The Prizes If your slogan takes the first prize, we'll display it proudly in our travel campaign. And you'll win two round-trip executive-class tickets to Japan on Japan Airlines. Plus free hotel accommodations for two for a total of seven days at the famous Imperial Hotel, Tokyo and the equally celebrated Miyako Hotel, Kyoto. Or, if your slogan is among the best 20 entries, you'll get a free copy of Japan Travel Bureau. A \$12,000/\$100 value with 1,000 pages of great travel tips.

The Deadline Entries must be received by July 31, 1992. We'll notify the first prize winner, and runners-up will receive prizes by mail. So write now for a free trip to Japan!

Complete and mail or fax to:
Japan Association of Travel Agents
3-3-3 Kasumigaoka, Chiyoda-ku
Tokyo 100 Japan
Fax: Int'l-81+3-592-1268
or any JNTO office worldwide.

Japan Travel Slogan Contest

Name

Address

Phone

Slogan

Application information is available at JATA and at offices of JNTO (Japan National Tourism Organization) in New York, Chicago, Dallas, San Francisco, Los Angeles, Toronto, Mexico City, Sao Paulo, London, Paris, Geneva, Frankfurt, Bangkok, Hong Kong, Seoul, Sydney. Copies of the entry coupon may be submitted in a white sheet of paper with your name, address and phone number. Entries will be evaluated by a panel of judges selected by JATA. Copyright for this winning slogan belongs to JATA. If two or more individuals submit identical slogans, the winner will be chosen by random drawing. Adults, drivers and other incidental expenses are not included in the trip.

India T
Banks
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Ex-Manus
Of Sagara
Held in Secu

Assets

India Tells Banks to Aid Bourse

Compiled by Our Staff From Dispatches NEW DELHI — The Indian Finance Ministry has told state-run financial institutions to intervene in the stock market...

The Finance Ministry said the market stabilization around the current level to prevent panic among investors as the government probes allegations that several members of state-run banks lent money to the broker, in violation of regulations.

2 Ex-Managers Of Sagawa Held in Scandal

Agence France-Press TOKYO — Japan's biggest postwar scandal widened Monday with the disclosure that a major transportation group, Sagawa Kyubin, had provided 16 billion yen (\$120 million) more to a crime syndicate.

Two former top managers of the Sagawa Kyubin group were re-arrested Monday on charges of breaching company trust as they provided the money in loans and loan guarantees to companies linked to gangsters from May 1990, police said.

In Asia, a Need to Lure Oil Exploration

By Michael Richardson International Herald Tribune SINGAPORE — Asian and Pacific countries will become increasingly dependent on Middle East oil for economic growth unless new incentives are introduced to intensify the pace of exploration...

energy consumption in Asia and the Pacific. As industrialization spreads, the region's dependence on imported oil is projected to increase to 64 percent by the end of the decade...

North Sea and Central and South America. Under production-sharing contracts that are common in Asia, governments allow oil companies to recover costs out of output over a period of years...

Deficit Bulge Hits Markets In Australia

Compiled by Our Staff From Dispatches SYDNEY — Australia forecast Monday that the budget deficit for this year and next would be much larger than expected, sparking a sell-off in markets worried about how the shortfall would be funded.

Investor's Asia table with columns for Hong Kong, Singapore, and Tokyo indices and their daily movements.

Japan Banks Hold Key to Weak Yen

By Carl Gewirtz International Herald Tribune PARIS — One of the big wonders in the foreign-exchange market is how the yen can be so soggy when Japan is running such a large international surplus.

debt issues floated in the domestic market to pay back borrowings as they come due for renewal. Data published last week by Japan shows the major trends continuing. The March current-account surplus of \$11.7 billion was a monthly record...

Toshiba and GE To Cooperate

Compiled by Our Staff From Dispatches TOKYO — Toshiba Corp. said Monday it had reached an agreement with General Electric Co. of the United States to jointly make advanced gas turbines used in power stations.

On a consolidated worldwide basis, Japanese banks reduced their borrowings by \$232 billion, far outpacing the \$190 billion decline in loans.

Overall, the BIS said fourth-quarter lending by international banks rose \$504 billion, but more than two-thirds of the increase was due to valuation effects resulting from the depreciation of the dollar.

Mieno Predicts Economic Gains in Japan

NAHA, Japan — The Japanese economy is in a difficult phase, with slowing domestic demand and a full-fledged inventory drawdown, but brighter times are ahead, the Bank of Japan governor, Yasushi Mieno, said Monday.

ment among small to medium-sized service companies, which should be aided by the central bank's recent credit-easing steps. "With commercial bank lending rates having already fallen to historically low levels, this should help support demand for capital investment," he said.

Europeans Call for More Investment in Japan

TOKYO — European companies on Monday called for new measures to increase European investment in Japan, warning that the current imbalance in two-way flows could lead to political problems.

As a result, European companies account for about 0.1 percent of total direct investment in Japan. But Japanese companies represent 5 percent of investment in the European Community.

- ACROSS 1 Seating for the man corner 2 Green, in Grenoble 3 Frau's counterpart 4 Little Red Schoolhouse book 5 Bushy hards 6 Old Polish woman 7 Start of a quip 8 Some Like It 9 Seal school 10 Seal school 11 Quip: Part II 12 Whalers' casks 13 Clay-footed one? 14 Wasn't healthy 15 Seal school 16 Quip: Part II 17 Start of a quip 18 Some Like It 19 Seal school 20 Seal school 21 Quip: Part II 22 Whalers' casks 23 Clay-footed one? 24 Wasn't healthy 25 Seal school 26 Quip: Part II

Solution to Puzzle of May 11 grid with words filled in.

Very briefly: GEC Alsthom International SA, Mitsubishi Heavy Industries Ltd. and Siemens AG have been asked to submit new bids for a Seoul-to-Pusan high-speed train contract by a South Korean oversight committee.

Very briefly: GEC Alsthom International SA, Mitsubishi Heavy Industries Ltd. and Siemens AG have been asked to submit new bids for a Seoul-to-Pusan high-speed train contract by a South Korean oversight committee.

Vertical market data table on the left edge of the page.

REPUBLIC NEW YORK CORPORATION Consolidated Statements of Condition table with assets and liabilities sections.

SAFRA REPUBLIC HOLDINGS SA Consolidated Statements of Condition table with assets and liabilities sections.

ART BUCHWALD
The Great Scapegoat

WASHINGTON — It stands to reason that when there is strife in the land the White House must step in to blame someone for causing the trouble...



Buchwald

Marlin wasn't speaking for himself but for the Bush administration...

Here's how it happened: The President's Elite Fault-Finders Hit Squad went into their attack mode...

Spoletto to Revive Donizetti Opera

ROME — The 35th Festival of Two Worlds in Spoleto, Italy, will open June 26 with a revival of Gaetano Donizetti's opera "Il Duca d'Alba"...

They said to Fitzwater, who attends all their meetings, "Marlin, you have to go out there and dump the whole L.A. disaster on the Democrats' doorstep..."

A political pollster applauded. "Our message should be that there would not have been any rioting in the ghettos if it wasn't for the liberals raising the expectations of the looters..."

Marlin said, "Do I mention anything about President Bush's plans to help minorities?" "What plans are those?" someone asked...

"Don't overdo it," a re-election adviser cautioned. "There are some people in the country who still consider L.A. to be a national tragedy and not a political dilemma..."

"Retire? Never. I'm going out toes up." He is short, about 5 feet 5, and walks with a slouch that makes him look even shorter...

Algren, Riccardo's and Mr. Chicago at 80

By Frank J. Priol
New York Times Service

CHICAGO — The Mercedes came tooling down Michigan Avenue, it swerved to the curb and a white woman in her 30s poked her head out the passenger side window...



Studs Terkel at Riccardo's: "Retire? Never. I'm going out toes up."

remember Martin, Barton and Fish. But it's not just me. We're a country with no revered past, no yesterday...

"I did everything," Studs said. "I acted a bit of a pipsquid in the 1930s. I was usually a gangster, which meant about three weeks work because I'd get shot..."

read the quote from Baudelaire that he used for his introduction. Baudelaire wrote: "I love the infamous city..."

PEOPLE

Marcia Haydeé Returns Major Role — in U.S.

Marcia Haydeé, the leading ballerina and director of the Stuttgart Ballet, says she has taken her first North American bow in one of her major roles...

Frederick's of Hollywood Museum, where looters made off with Madonna's purple bustier during the rioting in Los Angeles...

Today's INTERNATIONAL EDUCATION DIRECTORY
Appears on Page 8
PERSONALS ANNOUNCEMENTS STUDIES IN INT'L BUSINESS AND ECCL LAW

INTERNATIONAL CLASSIFIED
REAL ESTATE FOR SALE, TO RENT/SHARE
EMPLOYMENT GENERAL POSITIONS WANTED
EDUCATIONAL POSITIONS AVAILABLE

THE AMERICAN UNIVERSITY OF PARIS
INT'L ENGLISH TEACHING CAREERS
SUMMER COURSES IN PARIS

BUSINESS MESSAGE CENTER
BUSINESS OPPORTUNITIES
TAX FREE INCORPORATIONS
OFFSHORE

ESCORTS & GUIDES
BELLE EPOCH
MERCEDES
MYSTIQUE

Embassy Service
Your Real Estate Agent in Paris
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Vertical text on the right edge of the page, including 'The Global', 'Chief', 'Social', 'Sea', 'This', 'Floriad', 'Duel Bet'.